# GOVERNMENT OF INDIA
# MINES
# LOK SABHA

UNSTARRED QUESTION NO:2303
ANSWERED ON:04.12.2000
ROYALTY ON MINERALS
BHAWANA GAWALI (PATIL);GORDHANBHAI JAVIA;PRABHAT KUMAR SAMANTARAY

**Will the Minister of MINES be pleased to state:**

(a) whether demands of the various States for revision of royalty rates on different minerals are increasing;

(b) if so, the details of the demands made in this regard by various States through different forums/representations;

(c) the action taken thereon; and

(d) the time by which new royalty rates on minerals are likely to be announced?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES

(SHRI JAYSINGRAO GAIKWAD PATIL)

(a) to (d): Under Section 9(3) of the Mines and Minerals(Development & Regulation)Act,1957(MMDR),the Central Government may, by notification in the Official Gazette,amend the Second Schedule to the Act so as to enhance or reduce the rate at whichroyalty shall be payable in respect of any mineral with effect from such date as may be specified in the notification,provided that the Central Government shall not enhance the rate of royalty in respect of any mineral more than once during any period of three years.
The Central Government had revised the royalty ratesfor major minerals (other than coal and lignite) on 11.4.97. Representations were received from various State Governments for enhancing the rates of royalty. The Central Government had constituted a Study Group on 5.10.98 under the Chairmanship of the then Additional Secretary, Ministry of Mines comprising Indian Bureau of Mines, select State Governments, Ministry of Steel and the Federation of Indian Mineral Industries(FIMI).The Study Group also elicited suggestions and recommendations of all the State Governments through a questionnaire. On the basis of recommendations of the Study Group royalty rates in respect of major minerals(other than coal, lignite and sand for stowing) have recently been revised and notified vide notification No.GSR 713(E) dated 12.9.2000.